

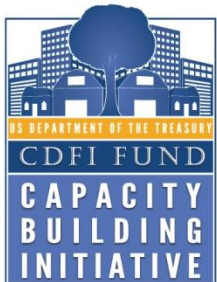


# Strengthening a Critical Rural Infrastructure: Rural Grocery Stores



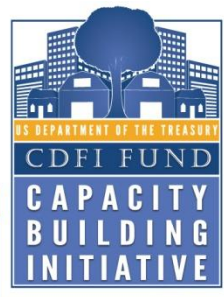
Dr. David E. Procter, Director  
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(785) 532-6868

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[www.ruralgrocery.org](http://www.ruralgrocery.org)  
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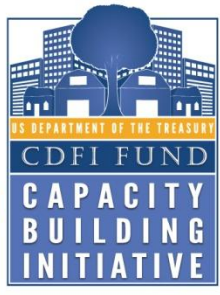
# Introduction

- CDFI Fund's Capacity Building Initiative
  - Financing Healthy Food Options
    - Workshops
    - Technical Assistance
    - Resource Bank



# Today's Webinar Topic

- Understand the important roles grocery stores play in rural communities.
- Learn about the unique challenges of rural grocery stores.
- Discuss examples of innovative models for sustainable rural food retail outlets.



# Dr. David Procter

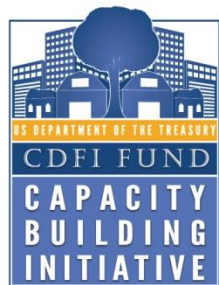


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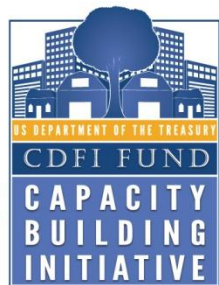


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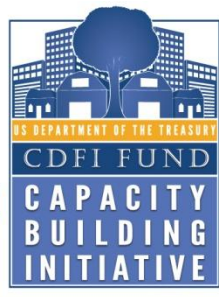
# Center for Engagement and Community Development

## Mission

To connect the resources and expertise of Kansas State University to the significant issues of public need facing Kansans and communities worldwide.

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Center for Engagement  
and Community Development



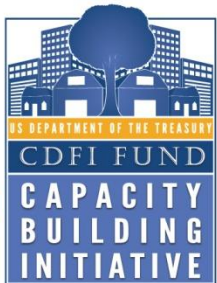


# Rural Grocery Stores: The Public Need



## Rural grocery stores provide...

- **Economic Development**
  - Rural grocery stores are an important rural economic driver
- **Food Access**
  - Rural grocery stores provide a primary source of nutritious and competitively priced foods
- **Third Place**
  - Rural grocery stores provide a local, civic and social meeting space

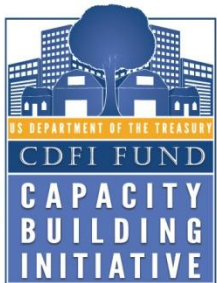


# Economic Development

**Rural grocery stores are a critical small business because...**



- **Grocery stores provide numerous local jobs**
  - 2.5 million of jobs nationally
  - 14 average number of jobs in rural communities (5 full time; 9 part time)
- **Grocery stores represent a significant source of local sales taxes**
  - Sample of six KS stores shows 20% of community sales tax receipts come from rural grocery stores

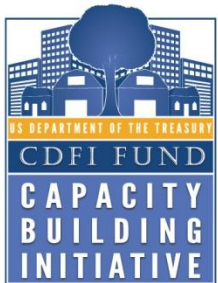




# Economic Development

## Locally-owned, small business have a larger economic multiplier

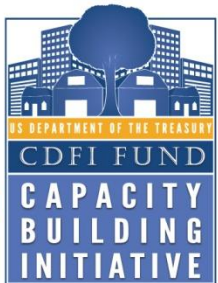
- Boost to the local economy, resulting from locally-owned businesses, owners, and employees spending business revenue within the region
- When grocery stores close, a ripple effect occurs
  - Onaga, KS
  - Kent, MI



# Healthy Food Access

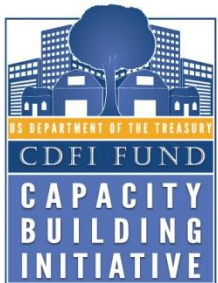
## 2010 Dietary Guidelines:

Healthy eating limits sodium, solid fats, sugars, and refined grains; emphasizing vegetables, fruits, whole grains, fat-free or low-fat milk, seafood, lean meats and poultry, eggs, beans and peas, nuts, and seeds.



# Healthy Food Access: Why Focus on Rural Grocery Stores?

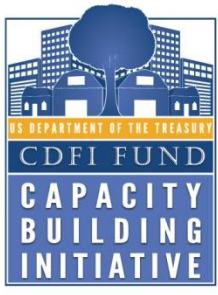
- Rural areas suffer the highest obesity rates in the nation.
- Rural grocery stores offer more healthy foods, at lower cost, than rural convenience stores.
- Prevalence of grocery stores in non-metro counties is inversely associated with incidence of obesity.
- From 1997 to 2002, the U.S. experienced a 29% increase in healthy food stores, but rural areas largely left out of this growth.



# Healthy Food Access

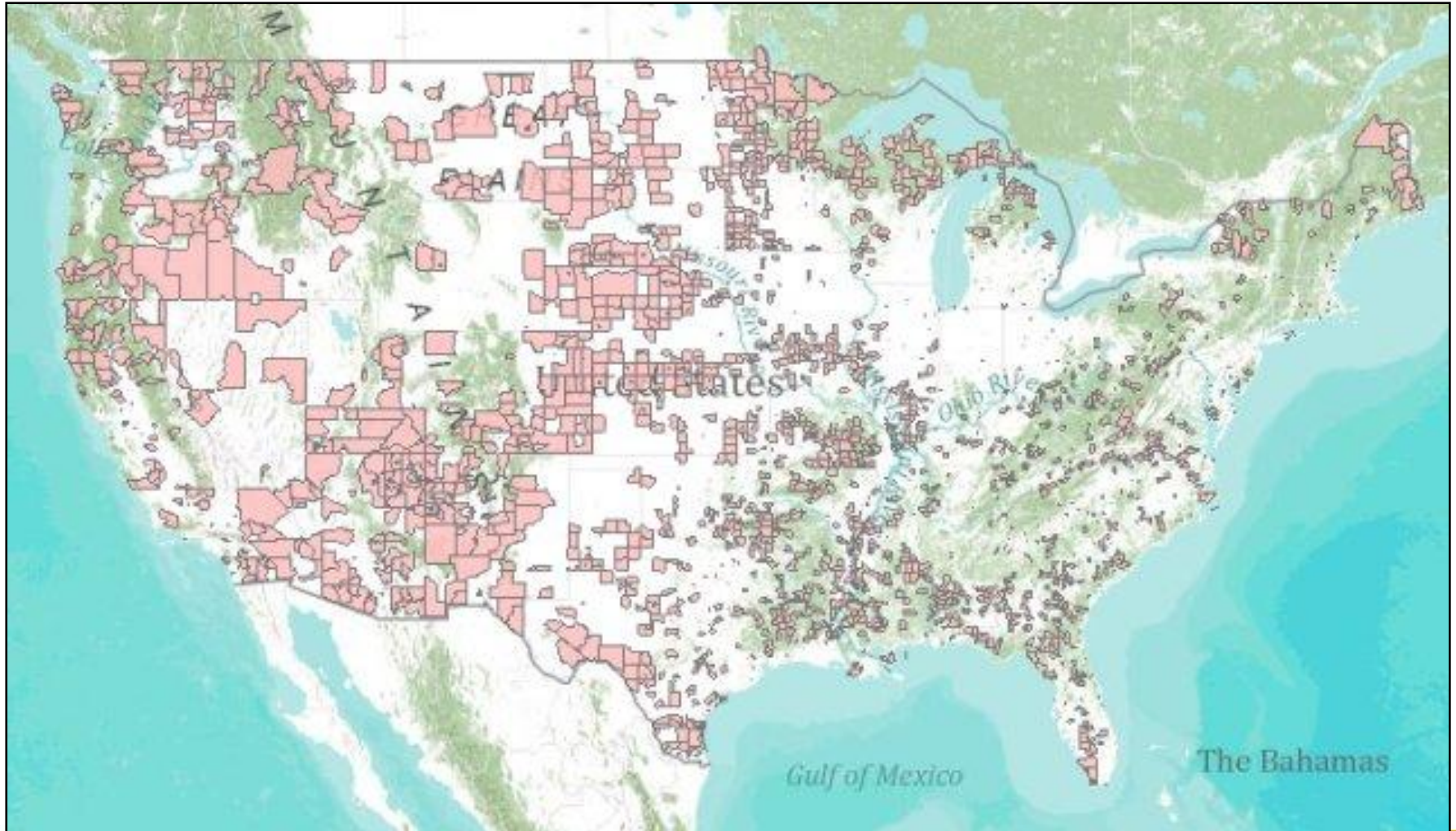
## 2.3 million rural citizens live within rural food deserts (USDA ERS)

- *Poverty:* 20% of census tract is below poverty level.
- *Lack of Access:* 33% of the census tract's population resides more than 10 miles from a supermarket or large grocery store.





# Healthy Food Access: 2011 USDA Food Desert Map





# Third Place

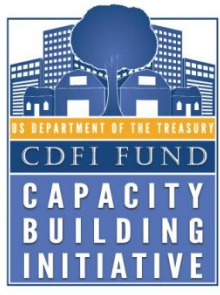
## Definition:

- Public places on neutral ground where people gather and interact.
  - *First Place:* home
  - *Second Place:* work
  - *Third Place:* community gathering spaces



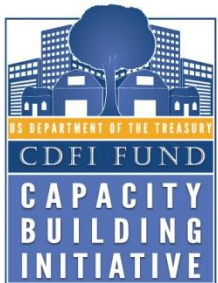
# The Rural Grocery Store as the Third Place

- Functions as anchor of community life,
- Facilitates broad and creative interaction,
- Serves as foundation of a functioning democracy and a setting for grassroots politics,
- Creates habits of public association, and
- Promotes social equality by leveling the status of citizen patrons.



# Our Rural Grocery Initiative Goals

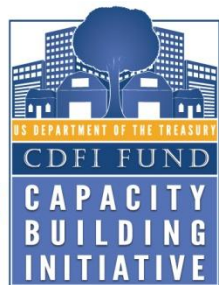
- Identify challenges facing rural grocery stores (population size 2,500 or less).
- Develop responses to those challenges.
- Identify and detail sustainable business models of grocer operation.
- Build virtual and face-to-face information network for rural grocers.



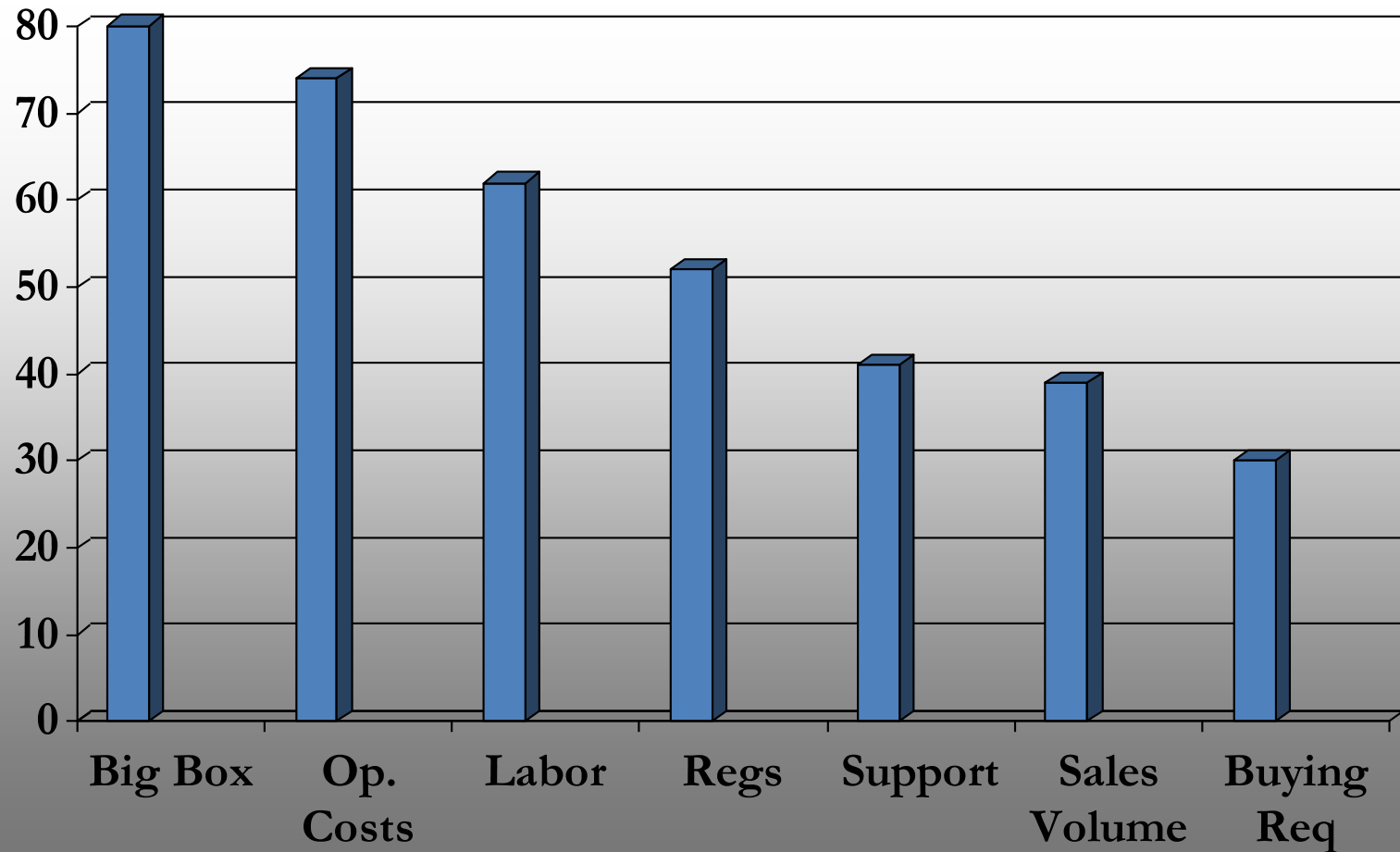
# Identifying Grocer Challenges



- 2008: Surveyed 213 KS rural grocers (86 responded)
  - View complete survey and results at:  
[www.ruralgrocery.org/survey](http://www.ruralgrocery.org/survey)
- Hosted 2008, 2010, 2012 Rural Grocery Summit (500+ participants)
  - Held focused conversations at each summit
- 2011: Surveyed rural grocers again (101 responded)
- Conducted face-to-face interviews with numerous grocers

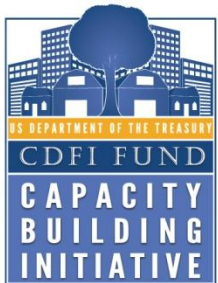
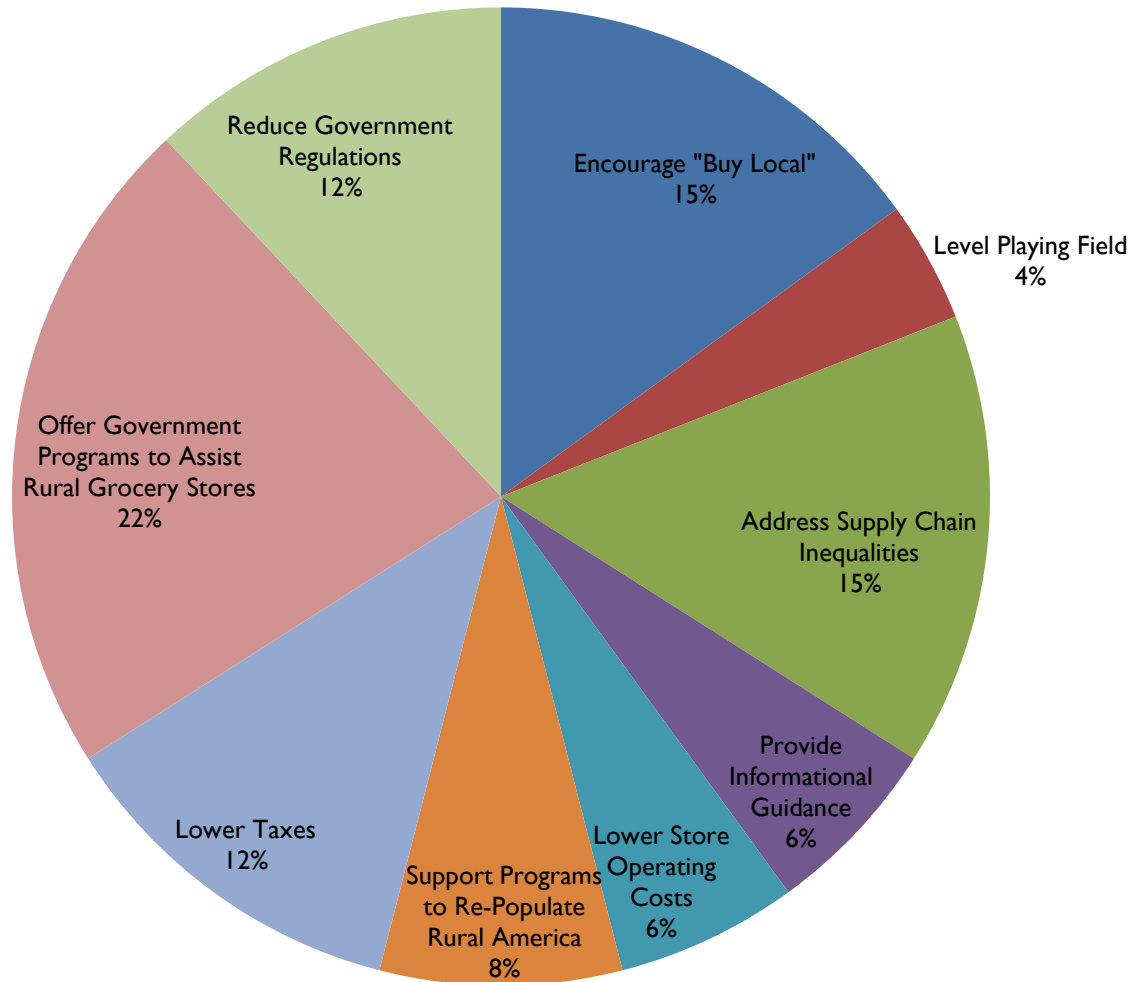


# 2008 Rural Grocer Survey: Top Seven Challenges



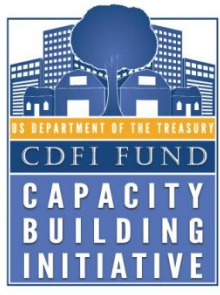


# 2011 Survey of Rural Grocers: What Can Legislators do to Help Rural Grocery Operations?



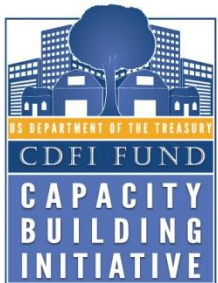
# Survey Comments Encouraging Financial Support for Rural Grocery Operations

- “We need low-cost financing and/or grants to upgrade stores to more energy efficient infrastructure. With rising energy costs, this cuts into already narrow profit margins.”
- “We need lower cost loans to rural grocery stores.”
- “I would encourage our representatives to get involved financially to support those community businesses.”
- “There needs to be some support to offset the risk of opening the store. Some sort of subsidy similar to other USDA subsidies found in the farm bill.”
- “Make grants available for start up grocery stores in small communities.”



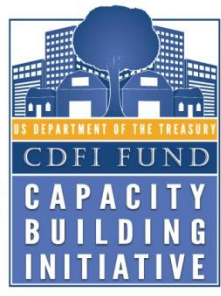
# Responding to Grocer Challenges: Securing Community Support

- Promote the power of community support
  - Walsh, CO
- Highlight processes of building community support
  - Community “investment”
    - FEAST conversations
  - Effective grocery store operations
  - “Buy Local” education



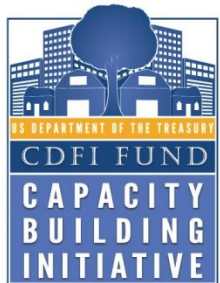
# Responding to Grocer Challenges: Meeting Minimum Buying Requirement

- Identifying and facilitating grocery collaborations
- Expanding food re-distribution centers
- Researching coop wholesale food distributor model
- Exploring ways to increase food sales
  - Community Support
  - Institutional Buyers
  - Local Growers



# Identifying and Detailing Sustainable Models of Grocery Operation

- School-based enterprise
  - Leeton, MO; Cody, NE; Rothsay, MN
- Community-owned
  - Minneola, KS; Walsh, CO
- Public/private partnerships
  - Onaga, KS; St. Paul, KS
- Cooperatives
  - Kiowa, KS
- Sole proprietorships
  - Little River, KS; Jetmore, KS
- 501(c)3
  - Plains, KS; Morland, KS





# Building Information Network for Rural Grocers & Stakeholders

- Virtual Networks
  - [www.ruralgrocery.org](http://www.ruralgrocery.org)
  - <https://blogs.k-state.edu/ruralgrocery/>
  - Rural Grocery Facebook/Twitter
- Face-to-Face Networks
  - Rural Grocery Summits
  - Rural Grocery Leadership Team



# Thank You

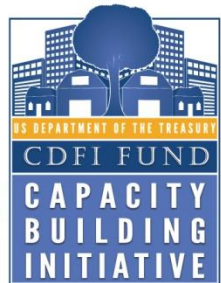
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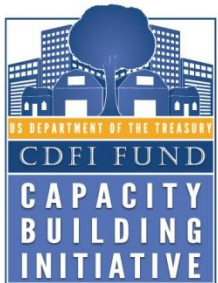


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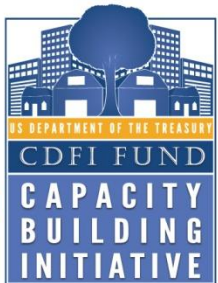


# Questions?





# Additional Resources



# Financing Healthy Food Options Resource Bank

[http://www.cdfifund.gov/what\\_we\\_do/FinancingHealthyFoodOptionsResourceBank.asp](http://www.cdfifund.gov/what_we_do/FinancingHealthyFoodOptionsResourceBank.asp)

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← → ↻ [www.cdfifund.gov/what\\_we\\_do/FinancingHealthyFoodOptionsResourceBank.asp](http://www.cdfifund.gov/what_we_do/FinancingHealthyFoodOptionsResourceBank.asp)

- WHO WE ARE
- WHAT WE DO
- IMPACT WE MAKE
- NEWS & EVENTS
- HOW TO APPLY

## COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS FUND

UNITED STATES DEPARTMENT OF THE TREASURY



**Financing Healthy Food Options Resource Bank**

### I. Training Curriculum

- [Food Systems Overview](#)
- [Healthy Food Retail Financing](#)
- [Financial Services for Mid-Tier Food Chain Enterprises](#)
- [NMTC & Urban Supermarkets](#)
- [Understanding the Grocery Industry](#)
- [Underwriting Supermarkets & Grocery Stores](#)
- [Mid-Tier Food Chain Enterprises Overview & Underwriting](#)
- [Capitalizing Healthy Food Retail Initiatives](#)
- [Identifying Optimal Areas for Supermarket Development](#)
- [Understanding the Food Production Sector](#)
- [Credit Skills for Lending to the Food Production Sector](#)
- [Food Producers Case Studies](#)
- [Identifying Partners and Convening Stakeholders](#)

### II. Training Webinars

### III. Additional Resources

- Searching for Markets: The Geography of Inequitable Access to Healthy and Affordable Food
  - [Executive Summary](#)
  - [Full Report](#)
- [Financial Resources Catalogue](#)

### IV. Food Desert Mapping Tools

- [USDA Food Desert Locator](#)
- [PolicyMap](#)





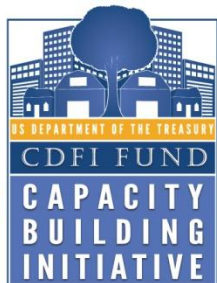
# Financing Healthy Food Options Webinar Archive

[http://www.cdfifund.gov/what\\_we\\_do/FHFOResourceBankWebinars.asp](http://www.cdfifund.gov/what_we_do/FHFOResourceBankWebinars.asp)



The screenshot shows a web browser window with the URL [www.cdfifund.gov/what\\_we\\_do/FHFOResourceBankWebinars.asp](http://www.cdfifund.gov/what_we_do/FHFOResourceBankWebinars.asp). The page header includes the CDFI Fund logo and navigation links: WHO WE ARE, WHAT WE DO, IMPACT WE MAKE, NEWS & EVENTS, and HOW TO APPLY. The main heading is "COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS FUND" with the subtitle "UNITED STATES DEPARTMENT OF THE TREASURY". The page title is "Financing Healthy Food Options Resource Bank: Webinars". A note states: "Relevant Training Curriculum chapters can be found on the Resource Bank's [main page](#)." The content is organized into four numbered sections, each with a list of links to webinar materials:

- 1. PolicyMap and Using Limited Supermarket Analysis in Your Target Market**
  - [Webinar 1 Presenter Biography](#)
  - [Webinar 1 Accompanying Presentation](#)
- 2. Healthy Food Options Program Design and Social Impact Measurement**
  - [Webinar 2 Presenters Biographies](#)
  - [Webinar 2 Accompanying Presentation](#)
  - [Sample Retail Loan Pre-Application Design](#)
  - [Sample Retail Loan Application Design](#)
  - [Sample Retail Loan Template for Data Collection \(.xls\)](#)
  - [The Grocery Gap: Who Has Access to Healthy Food and Why it Matters \(Food Trust and PolicyLink\)](#)
- 3. Green for Greens**
  - [Webinar 3 Presenters Biographies](#)
  - [Webinar 3 Accompanying Presentation](#)
  - [Green for Greens: Finding Public Financing for Healthy Food Retail \(Public Health Law & Policy\)](#)
  - [Getting to Grocery: A Toolkit for Attracting Food Retail to Underserved Neighborhoods \(Public Health Law & Policy\)](#)
- 4. New American Foodshed**
  - [Webinar 4 Presenters Biographies](#)
  - [Webinar 4 Accompanying Presentation](#)
  - [Field Guide to the New American Foodshed](#)
    - [Field Guide: One Page Planning](#)
  - [National Good Food Network](#)
  - [Farm Credit Council](#)



# Upcoming TA Webinars

## **Developing Loan Policies and Procedures for Healthy Food Financing**

- Wednesday, September 12 @ 2pm EDT

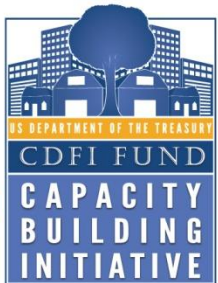
## **Lending to Agricultural Entrepreneurs: Analyzing A Farm Loan**

- Thursday, September 20 @ 2pm EDT

## **Chips to Carrots: Financing Healthy Corner Stores**

- Thursday, September 27 @ 2pm EDT

Visit [www.opportunityfinance.net/FHFOwebinars/](http://www.opportunityfinance.net/FHFOwebinars/) to register for one or all of the TA webinars



# Contact Information

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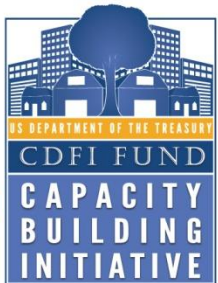
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